

# Hospital Financial Horizon Brightens



Accountant R. Ted Stagg enumerates the points of a plan to revise hospital accounting procedures. Most of the suggestions are already in effect.

The Wasatch County Hospital Board of Trustees Tuesday morning voiced unanimous confidence and support for hospital administrator Terry Lange in his efforts to reverse the downward spiral of hospital finances.

At a meeting in the County Courthouse, the board received an administration quarterly financial statement which showed that while the hospital was still losing money, it was losing less than before.

Lange and board member Brent Hill said this report was a basis for optimism. Both men also asserted that the \$100,000 emergency appropriation the county provided will be enough to offset the hospital's debts.

"We also want to emphasize," Hill added, "that the hospital's problems are not problems of health care but of finance." Hill said some people confused the hospital's ability to care for patients with its ability to pay its debts.

#### Raise rates, lower costs

R. Ted Stagg, an accountant,

told the board that the hospital's primary concern should be raising patient charges and lowering costs until the two figures coincide.

"It now becomes critical that charge equals cost," Stagg said, because Medicaid will soon follow Medicare in paying the hospital for either costs or charges, whichever is lower. The agencies previously paid costs only.

The hospital gets almost 80 per cent of its revenue from the two health care agencies. If the hospital fees remain at \$56 per day, and costs at \$100, funds from Medicare and Medicaid would cover less than half the expenses of patient treatment.

A situation such as this would make the hospital's present \$127,000 deficit a "drop in the bucket" compared to future debts, Stagg warned.

#### Tighter controls working

Stagg recommended a close scrutiny of hospital cash flows, particularly in the areas of accounts receivable and ac-

counts payable. Lange said measures were now applied to keep accurate records of bills paid. He also said collection of debts is improving.

Previously, the hospital sometimes paid long-standing debts several times over and wrote off about three per cent of its accounts receivable as "bad debts." A new system will eliminate these costly errors, Stagg said.

Jerry Parker, who runs the hospital pharmacy, advised the hospital to adopt a unit dose program for dispensing drugs. The unit dose program, now in use at the Care Center, enables doctors, pharmacists and nurses to keep tight control over medicines by delivering the doses one at a time to patients.

The one-at-a-time system is a better method of cost accounting than the present one which dispenses pills and capsules in bottles of 50 or 100, Parker said.

#### Thank Pink Ladies

The board also passed a resolution thanking the Pink

Lady Volunteers. The hospital administration endorsed the resolution.

The text in full reads:

"Gov. Rampton has signed a declaration proclaiming Apr. 20-26 as National Volunteer Week. By resolution, the Wasatch County Hospital Board of Trustees wish to express their gratitude and appreciation for the dedicated service that the Pink Lady Volunteers of Wasatch County have contributed to the hospital administration and staff.

In giving care and comfort to the sick at the hospital, they are greatly appreciated by all that come in contact with them.

By their willingness to devote their time, energy and finances, they have earned the respect and appreciation of the entire community.

The Pink Ladies Organization is continuing to grow and we would encourage any interested persons to support the organization and give of themselves in this very necessary service."

# Dean to Head Mtn. View Hospital

*Herald 1-9-85*

PAYSON — Rich Dean has been appointed the new administrator at Mountain View Hospital in Payson, according to Phil Jones, Chairman of the Board of Trustees.

Dean has served the past year as Assistant Administrator to Val H. Christensen who has accepted another position in the HCA Division office in Bountiful.

Dean's formal education includes a Bachelor of Science in Nursing and a Masters Degree in Health Administration from BYU. At the El Dorado Hospital and Medical Center in Tucson, (Ariz.) Dean

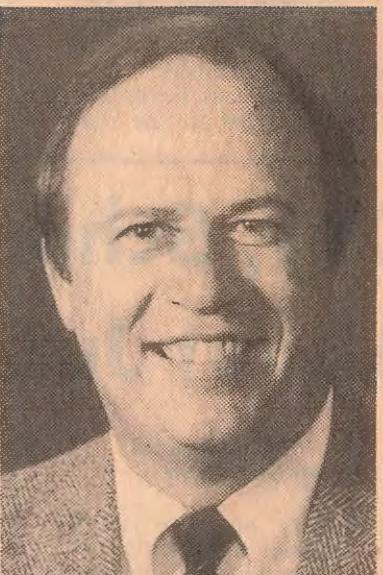
served as the Assistant Administrator for nearly three years before accepting his appointment at Mountain View Hospital in November, 1983.

"Many challenges face the health care industry," Dean said. "The health care industry is in the process of dramatic revolution. No longer can a hospital remain a building with walls where most patient needs are met. Hospitals and health care must mold to the rapidly changing demands of our communities, providing services that are much more cost effective for patients."

"Mountain View is truly a com-

munity hospital, adding services and physician specialties to serve local health care needs. Southern Utah County and the counties to the south now have access to technology and specialists formerly reserved for more metropolitan areas."

Dean said he is optimistic about Mountain View Hospital and its future in Utah County. "Mountain View has been a quality care institution and will strive to maintain that high quality care for which MVH is known at a time when hospitals face dramatic challenges."



Rich Dean

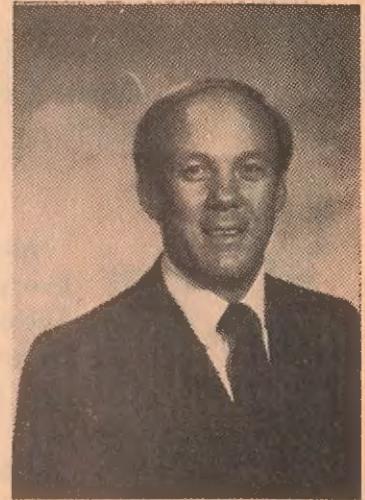
# Provo, Orem Hospitals Consolidate to 1 Board

7 April 1985

Utah Valley Regional Medical Center and Orem Community Hospital have selected a joint governing board as the first step in their recent consolidation. The new board members were chosen with the varied community interests of the two hospitals in mind, according to David H. Jeppson, president of IHC Hospitals, Inc.

Merrill Gappmayer, general contractor and developer of Vista Enterprises in Orem, has been chosen chairman of the board. Glen A. Overton of the Provo Heritage School for Girls was made vice-chairman, and Mark J. Howard, chief executive officer over the two hospitals, is executive secretary.

Other board members are David A. Cloward, certified public accountant of Hawkins, Borup, Cloward, & Co.; Colleen Ferguson of the Village Green Diet Center; Wynn H. Hemmert, M.D., UVRMC medical staff president; J. Marvin Higbee, president of Utah Technical College at Provo; Karla A. Holm, personnel manager at United States Steel, Geneva Works; W. Rolfe Kerr, executive vice-president at Brigham Young University; E. Bruce McIff, M.D., radiologist at UVRMC; Wayne A. Mineer, M.D., family practitioner; Luana Searle, principal of Forbes Elementary School; and Marc R. Udall, M.D., family practitioner.



Merrill Gappmeyer

While specific assignments have not been finalized, each board member will serve as chairman over different committees: building and nursing, Central Utah Health Care Foundation, education, finance, long-range planning, outreach services, professional standards, public relations and marketing, quality assessment, special projects, and women's center.